UNITED NATIONS DEVELOPMENT PROGRAMME

UNDP

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DP/PROJECTS/2874
(GUA/74/010)
10 March 1980
ENGLISH ONLY

APPROVAL OF LARGE-SCALE UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF GUATEMALA

Project title and number:	Co-ordination of the Development Plan with the Public Sector Budgets (Supplementary Assistance) (GUA/74/010)
Executing Agency:	United Nations
Government co-operating agency::	Secretariat General of the National Economic Planning Council (SGNCPE)
Date of approval:	March 1978
Estimated starting date for project operations:	January 1975 (Under previous assistance)
Duration:	Five years and four months (Including a two-year extension)
Estimated value of the Government input expressed in US dollars:	$325 000(In kind)
Estimated UNDP additional contribution:	$422 800
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. The UNDP Country Programme has a number of projects oriented towards the strengthening of the public sector. The present project (GUA/74/010) has played an important supporting role in this process through the introduction of a system of programme budgeting throughout the public sector, which includes central government departments, some 30 decentralized agencies and public enterprises, as well as local municipalities. In this way the priorities of the national plan have been progressively reflected in public sector budgets.

2. This has been greatly facilitated by the installation, with the assistance of the project, of a comprehensive electronic data processing system, which has enabled the implementation of public sector budgets to be monitored easily against projections of these budgets and of the Plan itself.

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3. The project has also assisted in the conception and implementation of an integrated accounting system to be applied to the whole public sector, as well as prepared operational manuals and trained more than 700 public sector officials in the technical fields covered by the project.

4. Guatemala is one of the first countries in Latin America to have instituted integrated systems for programme budgeting and accounting, and the possibilities of technical co-operation among developing countries (TCDC) are already being explored with other countries in this particularly important field. Because of the successful results achieved to date and of the need to consolidate this work, UNDP assistance has been extended under the present revision for a further two years to December 1980.

II. The project

5. The long-term objectives of the project remain to establish an integrated system for programme budgeting and accounting for the public sector, co-ordinated with short-, medium- and long-term development plans.

6. The immediate objectives are to: (a) introduce a system of integrated accounting; (b) institutionalize linkages between planning, budgeting and accounting within the public sector; (c) complete the installation of electronic data processing facilities to be used in the phases of budget forumulation, implementation and monitoring; (d) complete the introduction of the integrated budgeting, accounting and public credit systems; e) improve financial administration and management for the public sector; and (f) train personnel in all aspects relating to the project.

7. UNDP, through the Executing Agency, will provide for the services of experts in the fields of public sector programming, national accounting, public sector finances, budget programming, data processing and computers, and for training and miscellaneous expenditure.

8. To carry out the activities for which assistance is now approved, the Government of Guatemala will provide qualified professional and supporting staff, office space, supplies and equipment directly to the project.

9. The expenditure components of the UNDP contribution are as follows:

	Previously approved	Present approval	Total approved
	$	$	$
Experts and administrative support personnel	437 200	399 500	836 700
Training	3 500		3 500
Miscellaneous	6 300	23 300	29 600
	447 000	422 800	869 800

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